

### Parts Committee Interim Report

Washington, DC June 10<sup>th</sup>, 2004



#### **Parts Committee Co-Chairs**

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#### Your CIC Parts Committee (Alphabetical Listing)

- **Tom Adams OE Connection**
- Chris Dameron Tru2Form Collision
- Karen Fierst KerenOr Consultants
- **Bob Jones R Jones Collision Center**
- Herb Lieberman LKQ Corporation
- Mary Lou Lubrano CCC Information Services
- **Spence Price Southeast Toyota Distributors, LLC**
- Nick Scheid API
- Bob Smith Storm Appraisal
- Doug Stein Toyota Motor Sales, USA
- Kelly Swenson Carty's Collision Center, President CAA
- James Watson ARA
- **Kevin Weidinger OE Connection**



# Nashville Parts Distribution Survey



- Difficulties plague repairers for all part types
- The top issues for the four part types surveyed are:
  - Parts delivered damaged
  - ♦ Ill fitting parts
  - Receipt of previously rejected parts
  - Poor quality
  - Non-certified parts received in place of certified



The surveys, taken in Nashville, represented 40 repair facilities ranging from 7,500 to 120,000 square feet
70% suburban locations
10% rural
20% urban



- Many Insurers are forcing discounts through DRP agreements
- In some cases there is a question regarding if parts discounts are legal
- If the repairer chooses to use an alternative part that costs more, they must "eat" the difference in cost
- 75% of repairers answering the survey feel that they are losing their right to choose their vendors



The ability of vendors/distributors to deliver parts ranges from poor and untimely to excellent and very timely

All repairers surveyed indicated that part transport, delivery and care have a significant impact on repair cycle time



### Survey Recap and Conclusions

The intention of the survey was to identify issues that are becoming more problematic for repairers

The initial survey identified distributors and jobbers (dealers) as critical points at which problems could be significantly reduced

## **Refine and Continue Survey**

The committee has determined the need for questions addressing issues regarding delivery accuracy and care provided by parts distributors, jobbers and dealers

These questions will pertain to all issues identified by repairers in the Nashville Survey

Committee will report on the results during the Las Vegas CIC meeting



**Distributor Jobber Dealer Survey** ■ Will address: ◆ Part quality ♦ Delivery ◆ Care Return and credit issues Compensation for problems or warranties ♦ Redelivery issues Process improvement measurements



### Parts Committee Remaining Activities for 2004

- August Meeting Reconditioned part findings
  - Remanufactured wheels their structural integrity and potential safety issues after repair
- November Meeting Panel discussion with the topic – Parts Ordering, Distribution Efficiency and the Impact on Cycle Time



#### Please Allow Us to Help You by Providing Feedback

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#### **Thank You For Your Participation!**



#### God Bless Our Troops and God Bless America